



General Assembly

February Session, 2008

Raised Bill No. 597

LCO No. 2520

02520_____APP

Referred to Committee on Appropriations

Introduced by:
(APP)

***AN ACT CONCERNING STATE ASSISTANCE FOR PRESERVATION
OF THE STATE HOUSING PORTFOLIO.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2008*) (a) For purposes of this
2 section "state assistance" means a payment by the state of actual debt
3 service, comprised of principal, interest, interest rate swap payments,
4 liquidity fees, letter of credit fees, trustee fees and other similar bond-
5 related expenses.

6 (b) On and after July 1, 2008, the State Bond Commission may
7 authorize the State Treasurer and the Secretary of the Office of Policy
8 and Management to enter into a contract or contracts to provide state
9 assistance on bonds issued by the Connecticut Housing Finance
10 Authority as provided in this section. If so authorized by the State
11 Bond Commission, the state, acting by and through the Secretary of the
12 Office of Policy and Management and State Treasurer, shall enter into
13 a contract or contracts with the Connecticut Housing Finance
14 Authority that provide the state shall pay to said authority state
15 assistance on bonds issued by said authority for purposes of providing
16 (1) funds for mortgage loans made by said authority for multi-family

17 preservation rental housing units in the housing loan portfolio that
18 was transferred from the Department of Economic and Community
19 Development to the Connecticut Housing Authority pursuant to
20 section 8-37uu of the general statutes as an additional purpose
21 pursuant to the provisions of section 8-252 of the general statutes; (2)
22 funds for reasonable repair, deferred maintenance and rehabilitation
23 costs and replacement reserves; and (3) costs of issuance, in an
24 aggregate principal amount not to exceed four hundred forty million
25 dollars. Any provision of such a contract entered into providing for
26 payments equal to annual debt service shall constitute a full faith and
27 credit obligation of the state and as part of the contract of the state with
28 the holders of any bonds or refunding bonds, as applicable,
29 appropriation of all amounts necessary to meet punctually the terms of
30 such contract is hereby made and the State Treasurer shall pay such
31 amounts as the same become due. The Connecticut Housing Finance
32 Authority may pledge such state assistance as security for the payment
33 of such bonds or refunding bonds issued by said authority for such
34 special needs purposes. Any bonds so issued for the housing loan
35 portfolio by the Connecticut Housing Finance Authority and at any
36 time outstanding may at any time or from time to time be refunded, in
37 whole or in part, by the Connecticut Housing Finance Authority by the
38 issuance of its refunding bonds in such amounts as the authority may
39 deem necessary or appropriate but not exceeding an amount sufficient
40 to refund the principal amount of the bonds to be so refunded, any
41 unpaid interest thereon, and any premiums, commissions and costs of
42 issuance necessary to be paid in connection therewith. The state, acting
43 by and through the Office of Policy and Management and the State
44 Treasurer and without further authorization, may execute an
45 amendment to any contract providing state assistance as required in
46 connection with such refunding bonds.

47 (c) Notwithstanding any contract entered into by the state with the
48 Connecticut Housing Finance Authority for state assistance, the bonds
49 or refunding bonds to which such state assistance applies shall not
50 constitute bonds or notes issued or guaranteed by the state within the

51 meaning of section 3-21 of the general statutes.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2008</i>	New section
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Statement of Purpose:

To provide additional state funding for rehabilitation and redevelopment of affordable low-income housing.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]